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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/771,398	01/25/2001	Eric Edwards	80398.P399	6879

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EXAMINER

HAYES, JOHN W

ART UNIT PAPER NUMBER

3621

DATE MAILED: 01/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/771,398

Applicant(s)

EDWARDS ET AL.

Examiner

John W Hayes

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 January 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-27 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 25 January 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 13) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 2.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-15 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-15 only recite an abstract idea. The recited steps of searching for content, receiving bids, sending bids, receiving responses and releasing the content does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to broker digital content.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble. In the present

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case, none of the recited steps are directed to anything in the technological arts as explained above with the exception of the recitation in the preamble that the method is "computerized". Looking at the claim as a whole, nothing the body of the claim recites any structure or functionality to suggest that a computer performs the recited steps. Therefore, the preamble is taken to merely recite a field of use.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. An invention, which is eligible or patenting under 35 U.S.C. 101, is in the "useful arts" when it is a machine, manufacture, process or composition of matter, which produces a concrete, tangible, and useful result. The fundamental test for patent eligibility is thus to determine whether the claimed invention produces a "use, concrete and tangible result". The test for practical application as applied by the examiner involves the determination of the following factors"

- (a) "Useful" – The Supreme Court in *Diamond v. Diehr* requires that the examiner look at the claimed invention as a whole and compare any asserted utility with the claimed invention to determine whether the asserted utility is accomplished. Applying utility case law the examiner will note that:
 - i. the utility need not be expressly recited in the claims, rather it may be inferred.
 - ii. if the utility is not asserted in the written description, then it must be well established.
- (b) "Tangible" – Applying *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994), the examiner will determine whether there is simply a mathematical construct claimed, such as a disembodied data structure and method of making it. If so, the claim involves no more than a manipulation of an abstract idea and therefore, is nonstatutory under 35 U.S.C. 101. In *Warmerdam* the abstract idea of a data structure became capable of producing a useful result when it was fixed in a tangible medium, which enabled its functionality to be realized.
- (c) "Concrete" – Another consideration is whether the invention produces a "concrete" result. Usually, this question arises when a result cannot be assured. An appropriate rejection under 35 U.S.C. 101 should be accompanied by a lack of enablement rejection, because the invention cannot operate as intended without undue experimentation.

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In the present case, the claimed invention releases content to a buyer based on a bidding outcome and appears to be useful, concrete and tangible.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-15 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

4. Claims 1, 6-9, 11-17, 19, 21-23, 25 and 27 are rejected under 35 U.S.C. 102(e) as being anticipated by Ginter et al, U.S. Patent Application Publication No. US 2003/0163431 A1.

As per **Claim 1**, Ginter et al disclose a computerized method for brokering digital content between a buyer and a seller on a public submission content library comprising:

- performing a search for content using user-specified criteria (0174; 0221; 0931; 2333; 2383; 2385; 2396; 2427);
- receiving a bid from the buyer for content found by the search (2146-2147; 2152; 2173-2176; Figures 76A and 76B; 2179)
- sending the bid to the seller (2175-2176; 2179;
- receiving a response to the bid from the seller (2175-2176; 2179); and
- releasing the content to the buyer if agreement is reached between the buyer and the seller (2175-2176; 2179).

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As per **Claim 6**, Ginter et al further disclose receiving the content from the seller prior to the search (2377-2391; Figure 78).

As per **Claim 7**, Ginter et al further disclose wherein the response from the seller is a counteroffer and further comprising:

- sending the counteroffer to the buyer (2175-2176; 2179); and
- receiving a response to the counteroffer from the buyer (2175-2176; 2179).

As per **Claim 8**, Ginter et al further disclose receiving payment for the content from the buyer and validating the payment (0161; 0166; 0212; 0224; 0441; 1924; 2083; 2201; 2410).

As per **Claim 9**, Ginter et al further disclose watermarking the content and sending the watermarked content to the buyer (0220; 0381; 2354).

As per **Claim 11**, Ginter et al further disclose

- tracking use of the content by the buyer in accordance with restrictions placed on the content by the seller (0078; 0091; 0140; 0173; 0185; 0198; 0215; 0228; 0445; 0696; 1228); and
- notifying the seller if the use of the content by the buyer violates the restrictions (0163; 0215; 0252; 0445; 0696; 1587; 2201; 2303).

As per **Claim 12**, Ginter et al further disclose notifying the buyer if the use of the content by the buyer violates the restrictions (0163; 0215; 1509; 1587; 2303).

As per **Claims 13-14**, Ginter et al further disclose receiving compensation for brokering services from the buyer or seller (224; 405; 426; 2200; 2470; 2476; 2478; 2480; 2482; 2490; 2495).

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As per **Claim 15**, Ginter et al further disclose receiving revenue for advertisements displayed to the buyer and seller (202; 213; 228; 1152; 1223; 2221; 2415).

As per **Claims 16 and 22**, Ginter et al disclose a computerized server and a computer readable medium having computer-executable instructions comprising:

- a processing unit (Figures 7-9);
- a search function executed from the memory to cause the processing unit to perform a search for content having user-defined criteria (Figure 78; 0174; 0221; 0931; 2333; 2383; 2385; 2396; 2427); and
- a financials function executed from the memory to cause the processing unit to manage negotiations between a buyer and a seller of content found by the search function (Figure 78; 2175-2176; 2179; Figures 76A and 76B).

As per **Claims 17 and 23**, Ginter et al further disclose wherein the financials function further operates to cause the processing unit to manage a payment from the buyer to the seller (0161; 0166; 0212; 0224; 0441; 1924; 2083; 2201; 2410).

As per **Claims 19 and 25**, Ginter et al further disclose a watermarking function executed from the memory to cause the processing unit to watermark the content (0220; 0381; 2354).

As per **Claims 21 and 27**, Ginter et al further disclose

- a tracking function executed from the memory to cause the processing unit to track use of the content by the buyer in accordance with restrictions placed on the content by the seller (0078; 0091; 0140; 0173; 0185; 0198; 0215; 0228; 0445; 0696; 1228); and further to
- notify the seller if the use of the content by the buyer violates the restrictions (0163; 0215; 0252; 0445; 0696; 1587; 2201; 2303).

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Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 2-5, 10, 18, 20, 24 and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al, U.S. Patent Application Publication No. US 2003/0163431 A1 in view of Hulls et al, U.S. Patent Application Publication No. US 2001/0032229 A1.

As per **Claims 2-3, 18 and 24**, Ginter et al disclose wherein a buyer searches for content having user-specified criteria (0174; 0221; 0931; 2385; 2396; 2427), however, fail to specifically disclose wherein the search searches for a request from the buyer having the user-specified criteria. Hulls et al disclose a method and system for conducting commercial transactions between buyers and sellers using a computer network and teach a method whereby the system will search for requests from the buyer having the user specified criteria and matches the buyers request with a sellers offering, receiving an offer from the seller in response to the search and sending the offer to the buyer (Figures 24-26; 0035-0037). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ginter et al and include not only the ability for buyers to search for sellers who are offering the products that buyer desires, but also, the ability for sellers to search for buyers who desire the products the seller is offering as taught by Hulls et al. The motivation, as suggested by Hulls et al, would be to implement a system whereby a marketplace is created in which both buyers and sellers are able to locate each other and undertake and complete independent commercial transactions (0011).

As per **Claim 4**, Neither Ginter et al nor Hulls et al specifically disclose wherein the offer comprises a sample of the content. Official Notice is taken that offering a sample of content to a buyer was well known in the art at the time of applicant's invention and was typically carried out so that the

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buyer could review the sample in order to determine if he/she wanted to purchase the entire file or content. Thus, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the methods of Ginter et al and Hulls et al and offer the buyer a sample of content in order to enable the buyer to decide for or against the purchase of the content.

As per **Claim 5**, Ginter et al further disclose wherein releasing the content to the buyer comprises:

- receiving the content from the seller (Figures 2 and 77-80 and associated text);
- sending the content to the buyer (Figures 2 and 77-80 and associated text).

As per **Claims 10, 20 and 26**, Ginter et al fail to specifically disclose soliciting a rating from the buyer and seller. Hulls et al disclose soliciting a rating from the buyers and sellers (Figures 10, 13 and 19; 0042 and 0046). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ginter et al and include a rating system for rating the buyers and sellers. It was well known in the art at the time of applicant's invention that soliciting rating information for buyers and sellers that use a system for carrying out transactions provides very useful information. This enables the buyers and sellers to determine whether or not they want to engage in a transaction with a particular party based upon their rating.

Conclusion

7. If a copy of a provisional application listed on the bottom portion of the accompanying Notice of References Cited (PTO-892) form is not included with this Office action and the PTO-892 has been annotated to indicate that the copy was not readily available, it is because the copy could not be readily obtained when the Office action was mailed. Should applicant desire a copy of such a provisional application, applicant should promptly request the copy from the Office of Public Records (OPR) in accordance with 37 CFR 1.14(a)(1)(iv), paying the required fee under 37 CFR 1.19(b)(1). If a copy is ordered from OPR, the shortened statutory period for reply to this Office action will not be reset under

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MPEP § 710.06 unless applicant can demonstrate a substantial delay by the Office in fulfilling the order for the copy of the provisional application. Where the applicant has been notified on the PTO-892 that a copy of the provisional application is not readily available, the provision of MPEP § 707.05(a) that a copy of the cited reference will be automatically furnished without charge does not apply.

8. **Examiner's Note:** Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Murcko, Jr. discloses a transaction system between buyers and sellers and teaches that sellers have the ability to search for relevant buyer information and make offers to the buyers.

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10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

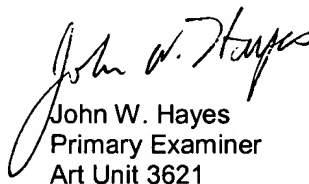
***Commissioner of Patents and Trademarks
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or faxed to:

(703) 872-9306 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-5531 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington,
VA, 7th floor receptionist.


John W. Hayes
Primary Examiner
Art Unit 3621

January 14, 2004